

### **REMARKS**

Claims 1-16 are pending in this application. Claim 17 was canceled. Claims 1-17 have been rejected. Claims 1, 8, and 16 have been amended. In view of foregoing amendments and following remarks, the applicants request allowance of the application.

### **Summary of Interview**

Applicants would like to thank the Examiner for the courtesy of an interview, which was held on December 1, 2009. During the interview, the prior art was discussed briefly, as well as possible subject matter for a productive amendment. The present amendments and remarks reflect the topics discussed. No specific agreements were reached.

### **Claim Rejections under 35 U.S.C. § 112, second paragraph**

Claims 1 and 8 were rejected for reciting "reversing data records," which is believed to be insufficiently defined in the claims and/or specification. Applicants believe the amendments to these claims provide greater clarity to this feature and sufficiently addresses the § 112 rejection. Applicants therefore respectfully request withdrawal of this rejection.

### **Claim Rejections under 35 U.S.C. § 101**

Claims 1 to 8 were rejected under 35 U.S.C. § 101. Applicants believe the amendments to these claims further clarify that the respective methods are tied to a computer, which is a statutory class under § 101. Applicants therefore respectfully request withdrawal of this rejection.

### **Claim Rejections under 35 U.S.C. §102(b)**

Claims 1, 2, 4, 5, 8, 9, 11, 12, and 17 were rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Application No. 2001/0039500 ("Johnson").

Claim 1, recites:

An automated method comprising:

maintaining an electronic database of accounting records associated with a first equity state on a computer system;

receiving input at the computer system selecting a time period for which adjustments to accounting records of a joint venture are to be applied, **where the time period includes time between a present time and a time of an inception of the venture;**

receiving input at the computer system selecting one or more types of accounting records to which the adjustments are to be applied, where one type of **the accounting records includes accounting records that call for a capital contribution;**

receiving input at the computer system defining a second equity state; subsequent to receiving input, searching the electronic database for all accounting records matching the one or more types that have a creation date that falls within the selected time period; and

for **each** accounting record identified by the search, applying adjustments defined by the second equity state, including:

**creating new reversing data records to be added to the existing data records and to be associated with a respective existing data record**, which when applied to the respective existing data record, negates the effect of the respective existing data record, and retaining the existing data records such **that both the existing records and new reversing data records are stored concurrently;**

creating new updated data records corresponding to records associated with the reversing data records, and based on a new equity share assignment defined by the second equity state, storing *an indication of the second equity state with each new updated data record*, **associating each new updated data record with a corresponding reversing data record**, and adding the new updated data records to the existing data records.

The Johnson reference does not disclose all of the features of claim 1, for at least 3 reasons, outlined below. Generally, the Johnson reference relates to "determining ownership interest allocation for a business" (*Id.* at Abstract) for different contributor types, such as "employees, executives and officers, and suppliers" (*Id.* at ¶ 10). Johnson relates to "awards of corporate shares (and options to purchase corporate stock) . . . as an inducement for executive recruitment, and stock option plans for employees." *Id.* at ¶ 5. These allocation systems may generally relate to providing equity ownership to "contributors" who are *not* capital contributors, but rather contributors of labor, supplies, or market volume, as discussed below.

(1) Johnson does not disclose the feature "receiving input selecting a time period for which adjustments to accounting records of a joint venture are to be applied, where the time period *includes time between a present time and a time of an inception of the venture.*" This claim feature recites a *prior* (e.g., *retroactive*) time period. Paragraph 90 of Johnson is cited, which refers to the example outlined in paragraph 78. Nothing in paragraph 90 indicates that a prior time period is selected for adjustments to accounting records. Paragraph 90 does generally describe an "equity [type] with a long duration [that] is awarded to the firm's initial contributors, and . . . equity with a shorter duration [that] is awarded to contributors that provide the firm with trading volume on an on-going basis." However, nothing in Johnson states or implies that any of these awards are done retroactively, or as an *adjustment* to a *prior time period*.

(2) Johnson does not disclose the feature "receiving input selecting one or more types of accounting records to which the adjustments are to be applied, where one type of the accounting records includes accounting records that *call for a capital contribution.*" Figure 3 (302) and paragraph 61 are cited, which generally describes "identify[ing] data relevant to the measurement of CTC contribution to business value," (Fig. 3 (302)) and that "ownership of the firm is allocated to individual CTCs and among the contributors that conduct transactions in each CTC using defined equity award rules based in whole or in part on performance metrics of the CTC" (§ 61). A definition of CTC is provided in paragraph 10: "contributors' to the business, to whom ownership interest will be awarded, may comprise any entities whose contribution to the business may be determined, such as customers of the business, and also including employees, executives and officers, and suppliers. The classes into which the contributor transactions are grouped will be referred to by the abbreviation 'CTC'". Though this definition may not *preclude* a CTC of "investors," it does not disclose any entity that may generate an "an accounting record[] that call[s] for a capital contribution." The definition outlines groups that may provide, e.g., payment contributions (e.g., customers), labor contributions (e.g., employees, executives, and officers), or material contributions (e.g., suppliers), but not capital contributions (e.g., investors, owners, partners, etc.). As was pointed out in the Office Action, "partnerships" were disclosed in paragraph 66, but relate only to the type of entity *from which* "ownership . . . is allocated . . . using defined equity award rules based in whole or in part on performance metrics."

(3) Johnson does not disclose the features of **"creating new reversing data records to be added to the existing data records and to be associated with a respective existing data record**, which when applied to the respective existing data record, negates the effect of the respective existing data record, and retaining the existing data records such **that both the existing records and new reversing data records are stored concurrently**; creating new updated data records corresponding to records associated with the reversing data records, and based on a new equity share assignment defined by the second equity state, *storing an indication of the second equity state with each new updated data record*, **associating each new updated data record with a corresponding reversing data record**, and adding the new updated data records to the existing data records." Paragraph 188 is cited which generally describes equations for the "[r]eallocation of the ownership of an equity class among both its prior owners and one or more new owners." Even if these could be characterized as "reversing," there is no indication that the equations are "data records," there is no indication that they are "associated with respective existing data records," nor is there any indication that "when added, [they] reverse associated existing records based on the input received."

Claim 1, as amended, recites several specific database search and update operations, based on user input. The general descriptions found in Johnson are simply insufficient to meet the specific features outlined in claim 1, as amended. Johnson does not disclose storing the records concurrently, nor does Johnson disclose storing an indication of the new equity state with each new updated data record. Johnson also does not disclose associating each new updated data record with a corresponding reversing data record, as found in claim 1.

For at least these reasons, Applicants respectfully request claim 1 be allowed. Additionally, claim 2, 4, 5, and 16 should be allowed for the same reasons. Claim 15 recites at least features substantially similar to those discussed above, and should be allowed for at least the same reasons.

Claim 8, recites:

A machine-readable medium storing computer-executable instructions to implement a process comprising:

- (a) receiving input selecting a time period for which adjustments to accounting records of a joint venture are to be applied, where the time period includes time between a present time and a time of an inception of the venture;
- (b) receiving input selecting one or more types of accounting records to which the adjustments are to be applied, where one type of the accounting records includes accounting records that call for a capital contribution;
- (c) searching a database for accounting records that have a creation date that falls within the selected time period; and
- (d) for each accounting record identified by the search, applying adjustments to the accounting records of the joint venture, including:
  - (i) creating new reversing data records to be added to the existing data records and to be associated with respective existing data records, which when added, reverse associated existing records based on the input received;
  - (ii) creating new updated data records corresponding to records associated with the reversing data records, and based on a new equity share assignment.

Johnson does not disclose this subject matter. Specifically, neither reference discloses "receiving input selecting a time period for which adjustments to accounting records of a joint venture are to be applied, where the time period falls between a present time and a time of an inception of the venture." Further, neither reference discloses "where one type of the accounting records accounting records that call for a capital contribution." Further, neither reference discloses "creating new reversing data records to be added to existing data records." Thus, claim 8 is also allowable.

Claims 9, 11, and 12 depend from claim 8 and should be allowed for at least the same reasons.

### **Claim Rejections under 35 U.S.C. §103**

Claims 3, 6, 7, 10, 13, and 14 were rejected under 35 U.S.C. 103(a) as being unpatentable over Johnson, in view of U.S. Patent Application No. 2007/0179872 ("Macalka"). For the following reasons, it is respectfully submitted that Griffin in view of Macalka does not render the present claims unpatentable.

Claims 3, 6, 7, 10, 13, and 14 depend from one of claims 1 and 8. Since Macalka does not cure the deficiencies argued with respect to claims 1 and 8, the dependent claims should be allowed for at least the same reasons.

**CONCLUSION**

All outstanding rejections have been overcome. It is respectfully submitted that, in view of the foregoing amendments and remarks, the application is in clear condition for allowance. Issuance of a Notice of Allowance is earnestly solicited.

Although not believed necessary, the Office is hereby authorized to charge any fees required under 37 C.F.R. § 1.16 or § 1.17 or credit any overpayments to Deposit Account No. 11-0600.

The Office is invited to contact the undersigned at 202-220-4200 to discuss any matter regarding this application.

Respectfully submitted,

Date: December 16, 2009

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